

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Bay County Drain Commission	County Bay
Fiscal Year End December 31, 2006	Opinion Date June 28, 2007	Date Audit Report Submitted to State June 29, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

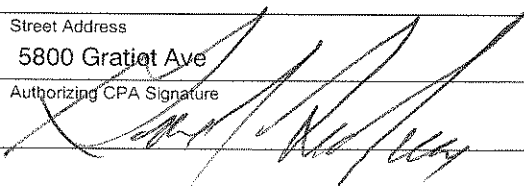
YES
☒

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Rehmann Robson		Telephone Number 989 799-9580	
Street Address 5800 Gratiot Ave		City Saginaw	State MI
Zip 48605			
Authorizing CPA Signature 	Printed Name Gerald J. Desloover, CPA		License Number 1101007126

Bay County Drain Commission
Bay City, Michigan

(a Component Unit of Bay County)

Financial Statements

For the Year Ended December 31, 2006

BAY COUNTY DRAIN COMMISSION

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REHMANN ROBSON

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

June 28, 2007

To the Bay County Drain Commission
Bay County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Bay County Drain Commission**, a component unit of Bay County, as of and for the year ended December 31, 2006, which collectively comprise the **Bay County Drain Commission's** basic financial statements as listed in the table of contents. These financial statements are the responsibility of the **Bay County Drain Commission's** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **Bay County Drain Commission** as of December 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis listed in the table of contents on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the ***Bay County Drain Commission's*** basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The schedules included on pages 24 through 65 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style with a large initial 'L'.

Management's Discussion and Analysis

As Bay County Drain Commissioner, I offer this overview of the financial statements and analysis of the financial activities of the Drain Commissioner's office for the fiscal year ended December 31, 2006. The Statements of Net Assets and the Statement of Activities provide information about the activities of the Drain Commissioner and present a long-term view of the Drain Commissioner's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Drain Commissioner's operations in more detail than the government-wide financial statements.

Financial Highlights

- The assets of the Drain Commissioner at the close of the most recent fiscal year exceeded the liabilities by \$4,409,893 (net assets). Of this amount, \$4,072,736 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Drainage District's total net assets decreased by \$488,152.
- At the end of the current fiscal year, the Drain Commissioner had an unreserved, undesignated fund balance of \$1,754,536 or about 104% of expenditures.
- The Drainage District's total debt decreased by \$52,156 or 2.15% during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Drain Commissioner's basic financial statements. The Drain Commissioner's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The *statement of net assets* presents information on all of the Drain Commissioner's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Drain Commissioner is improving or deteriorating.

The *statement of activities* presents information showing how the Drain Commissioner's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected special assessments and accrued interest expense).

Both of the component unit financial statements distinguish the function of the Drain Commissioner which is principally supported by special assessments to municipalities and individuals within the drainage districts. The governmental activities of the Drain Commissioner include providing construction, repair, and maintenance of drains within Bay County.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Drain Commissioner's office, like the County, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Drain Commissioner's office are governmental funds.

The Drain Commissioner maintains nine individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. These funds are broken down into Debt Service Funds, Capital Project Funds, and non-major funds. The Drain Commissioner does not maintain proprietary nor fiduciary funds.

The Drain Commissioner adopts an annual appropriated budget for its funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Note that the Bay County government-wide financial statements are not herein presented because the Drain Commissioner's office is a component unit of the county. The county presents their financial statements elsewhere and in a manner partially resembling private-sector business in its government-wide financial statements in compliance with GASB Statement No. 34.

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the Drain Commissioner's financial statements. The notes to the financial statements can be found on pages 13 through 22 of this report.

The basic governmental financial statements can be found on pages 9 through 12 of this report.

Government-Wide Financial Analysis

As noted earlier, the Drain Commissioner's net assets invested in capital assets, net of related debt, does include infrastructure purchased and constructed prior to 2003. The Drain Commissioner is currently repaying debt on infrastructure that was built prior to the implementation of Government Accounting Standards Board Statement 34.

Bay County Drain Commission Net Assets		
	December 31 2006	December 31 2005
Current and other assets	\$ 5,372,725	\$ 6,120,229
Capital assets, net of accumulated depreciation	<u>2,043,645</u>	<u>1,586,247</u>
Total assets	<u>7,416,370</u>	<u>7,706,476</u>
Long-term liabilities outstanding	2,372,317	2,424,473
Other liabilities	<u>634,160</u>	<u>317,040</u>
Total liabilities	<u>3,006,477</u>	<u>2,741,513</u>
Net assets:		
Invested in capital assets, net	(328,672)	(838,226)
Restricted	665,829	824,400
Unrestricted	<u>4,072,736</u>	<u>4,978,789</u>
Total net assets	<u>\$ 4,409,893</u>	<u>\$ 4,964,963</u>

The Drain Commissioner, at the end of the most recent fiscal year, has restricted net assets of \$665,829. The remaining \$4,072,736 is unrestricted and may be used to meet the Drain Commissioner's ongoing obligations to citizens and creditors.

The Drain Commissioner's net assets decreased by \$488,152 during the current fiscal year. This decrease reflects the degree to which ongoing expenses exceeded ongoing revenues.

A summary of changes in net assets for the years ended December 31, 2005 and 2006 follows:

	December 31 2006	December 31 2005
Revenue		
Special assessments	\$ 26,682	\$ 165,002
Licenses and permits	3,700	12,550
Federal revenue	-	66,918
Interest, rents, and royalties	183,954	123,573
Reimbursements, refunds and other revenues	200,468	276,067
Contributions from local units	240,390	297,057
Total Revenues	655,194	941,167
Expenditures		
Public Works:		
Contractual Services	489,086	666,075
Depreciation	55,191	42,460
Debt Service:		
Interest and fiscal charges	110,095	127,297
Total Expenditures/expenses	654,372	835,832
Other Financing Sources		
Proceeds from the sale of capital assets	7,117	14,289
Proceeds from the sale of notes	(496,091)	-
Total Other Sources	(488,974)	14,289
Increase (decrease) in net assets	(488,152)	119,624

The key elements in this decrease are as follows:

- Statement of activities showed negative proceeds from the sale of notes on the Goetz Intercounty Drain Project due to Bay County not being the treasurer but still having to record the debt.
- Assessments are decreasing since more petitioned drain projects are done in-house, using licensed staff. This eliminates the need for outside engineering, surveying, and inspection.

Financial Analysis of the Government's Funds

As noted earlier, the Drain Commissioner uses fund accounting to ensure and demonstrate compliance with the finance-related legal requirements.

Governmental funds. The focus of the Drain Commissioner's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Drain Commissioner's financing requirements. In particular, unreserved fund balance may serve as a useful measurement of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Drain Commissioner's governmental funds reported combined ending fund balances of \$2,420,365. The Drain Commissioner has a total unreserved/undesignated fund balance of \$1,754,536, which can be used for spending at the Drain Commissioner's discretion.

General Fund Budgetary Highlights. Prior to the beginning of any year, the Drain Commissioner's budget is compiled based upon certain assumptions and facts available at the time. During the year, the Drain Board acts to amend its budget to reflect changes in these original assumptions, facts, and/or economic conditions that were unknown at the time the original budget was compiled. In addition, by policy, the Board reviews and authorizes large expenditures when requested throughout the year.

The following schedule presents a comparative summary of changes in the Drain Commissioner's budget for the current fiscal year.

For the year ended December 31, 2006				
	Original Budget	Final Budget	YTD Receipts	Variance Positive (Negative)
Revenues				
Fund Balance Reserves	\$ 347,057	\$ 509,937	\$ -	\$ (509,937)
Licenses and Permits	5,900	5,900	3,700	(2,200)
Engineering Review Fee	-	-	11,400	11,400
Investment Interest	500	500	158,393	157,893
Interest Income - Other	-	-	4,341	4,341
Rents & Leases	5,300	5,300	21,220	15,920
Special Assessment Revenue	438,920	438,920	468,141	29,221
Contribution Local Units	402,059	402,059	367,754	(34,305)
Contribution, Primary Govt.	90,065	90,065	90,055	(10)
Reimbursements	264,000	264,000	(2,000)	(266,000)
Reimbursements-Individuals	-	-	5,086	5,086
Reimbursements-County	-	-	74,902	74,902
Bond/Note Proceeds	-	26,681	26,682	1
Sale of Fixed Assets	-	-	7,117	7,117
Insurance Recoveries	-	-	3,880	3,880
Transfers In From Other Funds	24,500	24,500	126,610	102,110
Total Revenue	1,578,301	1,767,862	1,367,281	(400,581)

For the year ended December 31, 2006 (Cont.)

	Original Budget	Final Budget	YTD Receipts	Variance Positive (Negative)
Expenditures				
Engineering/Contractual Services	366,700	469,664	269,635	200,029
Repairs/Maintenance	24,800	41,928	36,354	5,574
Administrative Expenses	32,075	32,324	16,138	16,186
Grounds Maintenance	2,100	12,863	38,856	(25,993)
Machinery & Equipment	154,200	187,096	107,237	79,859
Legal Fees/Legal Notices/Filings	18,350	18,737	6,692	12,045
Rents/Leases	5,900	6,819	18,744	(11,925)
Reimbursements	160,286	161,618	156,832	4,786
Contributions-Other	-	22,923	22,223	700
Debt Principal Payments	574,933	574,933	574,929	4
Interest on Long-Term Debt	109,297	109,297	113,036	(3,739)
Paying Agent Fees	1,616	1,616	1,885	(269)
Utilities	59,090	59,090	59,041	49
Insurance	24,800	24,800	18,057	6743
Other	19,654	19,654	5,996	13,658
Transfers Out	24,500	24,500	126,608	(102,108)
Land	-	-	245,872	(245,872)
Total Expenditures	1,578,301	1,767,862	1,818,135	(50,273)
Net Change in Fund Balance	\$ -	\$ -	\$ (450,854)	\$ (450,854)

The budget variances reflect:

- A spend down of excess fund balance reserves
- Land purchase required sooner than expected to meet requirements of the FEMA Grant on the Dell Creek Mitigation Project

Capital Asset and Debt Administration

Capital assets. As noted previously, the Drain Commissioner's office was not required to value their infrastructure prior to the Governmental Accounting Standards Board Statement No. 34.

Major capital asset events during the current fiscal year included the following:

- Construction was completed on the Schroeder and Vennard Drains

Long-term debt. At the end of the current fiscal year, the Drain Commissioner had total outstanding debt of general obligation bonds in the amount of \$2,372,317. The Drain Commissioner's total debt decreased by \$52,156 (2.15%) during the fiscal year.

Additional information on the Drain Commissioner's long-term debt can be found on pages 20 and 21 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Drain Commissioner's budget for the 2007 fiscal year:

- Increased activity in drain construction
- Additional capital equipment investment

Requests for Information

This financial report is designed to provide a general overview of the Drain Commissioner's finances for all those with an interest in the Drain Commissioner's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Drain Commissioner, Mr. Joseph Rivet, Bay County Building, 515 Center Avenue, Suite 601, Bay City, MI 48708-5127.

BAY COUNTY DRAIN COMMISSION
A COMPONENT UNIT OF BAY COUNTY
STATEMENT OF NET ASSETS AND BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	MAJOR FUNDS			
	DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS	
	Auburn Road Drain	Drain Debt Service Fund	Bangor Consolidated Drain Operation and Maintenance	Drain Capital Projects Fund
Assets				
Cash and cash equivalents	\$ 639,096	\$ 124,529	\$ 97,319	\$ 2,095,936
Accounts receivable	20	30	-	-
Special assessments	598,412	941,328	-	62,570
Accrued interest receivable	9,245	1,650	1,732	28,415
Due from other funds	-	-	10,834	13,995
Due from primary government	13,170	30,206	33,089	11,543
Due from other governmental units	48,169	34,019	224,411	8,099
Capital assets, net:				
Assets not being depreciated	-	-	-	-
Assets being depreciated	-	-	-	-
Total assets	<u>\$ 1,308,112</u>	<u>\$ 1,131,762</u>	<u>\$ 367,385</u>	<u>\$ 2,220,558</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 4,209	\$ 9,742
Accrued interest payable	-	-	-	-
Due to other funds	-	-	1,378	563,647
Due to primary government	-	-	21,483	13,969
Due to other governmental units	-	-	2,700	12,186
Deferred revenue	769,436	1,060,207	257,500	82,208
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	<u>769,436</u>	<u>1,060,207</u>	<u>287,270</u>	<u>681,752</u>
Fund Balances				
Reserved for:				
Debt service	538,676	71,555	-	-
Unreserved / undesignated	-	-	80,115	1,538,806
Total fund balances	<u>538,676</u>	<u>71,555</u>	<u>80,115</u>	<u>1,538,806</u>
Total liabilities and fund balances	<u>\$ 1,308,112</u>	<u>\$ 1,131,762</u>	<u>\$ 367,385</u>	<u>\$ 2,220,558</u>

The accompanying notes are an integral part of these financial statements.

Non-Major Funds	Total Governmental Funds	Adjustments	Statement of Net Assets
\$ 218,107	\$ 3,174,987	\$ -	\$ 3,174,987
-	50	-	50
105,211	1,707,521	-	1,707,521
3,489	44,531	-	44,531
541,254	566,083	(566,083)	-
26,364	114,372	-	114,372
16,566	331,264	-	331,264
-	-	355,673	355,673
-	-	1,687,972	1,687,972
<u>\$ 910,991</u>	<u>\$ 5,938,808</u>	<u>1,477,562</u>	<u>7,416,370</u>

1,603	\$ 15,554	-	15,554
-	-	21,517	21,517
1,058	566,083	(566,083)	-
541,701	577,153	-	577,153
5,050	19,936	-	19,936
170,366	2,339,717	(2,339,717)	-
-	-	366,173	366,173
-	-	2,006,144	2,006,144
<u>719,778</u>	<u>3,518,443</u>	<u>(511,966)</u>	<u>3,006,477</u>

55,598	665,829	(665,829)	-
<u>135,615</u>	<u>1,754,536</u>	<u>(1,754,536)</u>	<u>-</u>
<u>191,213</u>	<u>2,420,365</u>	<u>(2,420,365)</u>	<u>-</u>
<u>\$ 910,991</u>	<u>\$ 5,938,808</u>		

Net assets (deficit):

Invested in capital assets, net of related det	(328,672)	(328,672)
Restricted for:		
Debt service	665,829	665,829
Unrestricted	<u>4,072,736</u>	<u>4,072,736</u>
Total net assets	<u>\$ 4,409,893</u>	<u>\$ 4,409,893</u>

BASIC FINANCIAL STATEMENTS

BAY COUNTY DRAIN COMMISSION
A COMPONENT UNIT OF BAY COUNTY
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
DECEMBER 31, 2006

Fund balances - total governmental funds	\$ 2,420,365
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - capital assets	2,547,408
Deduct - accumulated depreciation	(503,763)

Long-term receivables are recorded as revenue when payment is received on the governmental fund statements and as revenue when a receivable occurs on the statement of activities

Add - deferred revenue related to long-term receivables	2,339,717
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Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct - bonds and notes payable	(2,372,317)
Deduct - accrued interest on bonds and notes payable	(21,517)
	<hr/>

Net assets of governmental activities	<u><u>\$ 4,409,893</u></u>
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The accompanying notes are an integral part of these financial statements.

BAY COUNTY DRAIN COMMISSION
A COMPONENT UNIT OF BAY COUNTY
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	MAJOR FUNDS			
	DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS	
	Auburn Road Drain	Drain Debt Service Fund	Bangor Consolidated Drain Operation and Maintenance	Drain Capital Projects Fund
Revenues				
Special assessments	\$ 65,368	\$ 301,696	\$ 7,500	\$ 29,558
Licenses and permits	-	-	300	3,000
Interest, rents and royalties	32,538	8,484	18,420	110,018
Reimbursements, refunds and other revenues	7,592	33,325	22,625	94,114
Contributions from local units	51,907	57,900	217,875	5,174
Total revenues	157,405	401,405	266,720	241,864
Expenditures/expenses				
Public works:				
Contractual services	-	1	219,872	254,821
Capital outlay	-	-	105,866	247,942
Depreciation	-	-	-	-
Debt service:				
Principal	100,000	404,929	-	-
Interest and fiscal charges	51,716	50,140	-	-
Total expenditures / expenses	151,716	455,070	325,738	502,763
Revenues over (under) expenditures	5,689	(53,665)	(59,018)	(260,899)
Other Financing Sources (Uses)				
Transfers in	-	-	-	126,610
Transfers (out)	-	(25,259)	(21,568)	(79,783)
Proceeds from the sale of capital assets	-	-	7,117	-
Proceeds from the sale of notes	-	-	-	26,682
Total other financing sources (uses)	-	(25,259)	(14,451)	73,509
Net change in fund balances	5,689	(78,924)	(73,469)	(187,390)
Change in net assets	-	-	-	-
Fund balance / net assets, beginning of year, as restated	532,987	150,479	153,584	1,726,196
Fund balance / net assets, end of year	\$ 538,676	\$ 71,555	\$ 80,115	\$ 1,538,806

The accompanying notes are an integral part of these financial statements.

Non-Major Funds	Total Governmental Funds	Adjustments	Statement of Activities
\$ 64,018	\$ 468,140	\$ (441,458)	\$ 26,682
400	3,700	-	3,700
14,494	183,954	-	183,954
25,666	183,322	17,146	200,468
34,900	367,756	(127,366)	240,390
<u>139,478</u>	<u>1,206,872</u>	<u>(551,678)</u>	<u>655,194</u>
173,173	647,867	(158,781)	489,086
-	353,808	(353,808)	-
-	-	55,191	55,191
70,000	574,929	(574,929)	-
13,065	114,921	(4,826)	110,095
<u>256,238</u>	<u>1,691,525</u>	<u>(1,037,153)</u>	<u>654,372</u>
<u>(116,760)</u>	<u>(484,653)</u>	<u>485,475</u>	<u>822</u>
-	126,610	-	126,610
-	(126,610)	-	(126,610)
-	7,117	-	7,117
-	26,682	(522,773)	(496,091)
<u>-</u>	<u>33,799</u>	<u>(522,773)</u>	<u>(488,974)</u>
(116,760)	(450,854)	450,854	-
-	-	(488,152)	(488,152)
<u>307,973</u>	<u>2,871,219</u>	<u>2,026,826</u>	<u>4,898,045</u>
<u>\$ 191,213</u>	<u>\$ 2,420,365</u>	<u>\$ 1,989,528</u>	<u>\$ 4,409,893</u>

**BAY COUNTY DRAIN COMMISSION
A COMPONENT UNIT OF BAY COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

Net change in fund balances - total governmental funds	\$ (450,854)
--	--------------

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	540,679
Deduct - depreciation expense	(55,191)
Deduct - loss on disposal of capital assets	(28,090)

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Deduct - bond proceeds	(522,773)
Add - principal payments on long-term liabilities	574,929

Some revenues reported in the funds provide current financial resources and therefore are not reported as revenues in the statement of net assets

Deduct - assessment revenue recorded in the fund statements as revenues when measurable and available and as revenue when levied on the statement of activities	(551,678)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Deduct - increase in accrued interest payable on bonds	4,826
--	-------

Change in net assets of governmental activities	\$ (488,152)
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The accompanying notes are an integral part of these financial statements.

BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Bay County Drain Commission, referred to as the "Drain Commission", is a discrete component unit of Bay County, Michigan, (the "County") and is used to track the collections and expenditures related to construction and maintenance of drainage districts throughout the County. Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The statutory drainage board of Chapter 21 drainage districts consists of the State Director of Agriculture and the drain commissioner of each County involved in the project. The statutory drainage board of Chapter 20 drainage districts consists of the Drain Commissioner, the chairman of the County Board of Commissioners and a member of the County Board of Commissioners appointed by the board. The County Drain Commissioner has sole responsibility to administer the drainage districts established pursuant to Chapters 4 and 8 of the Drain Code. The drainage board or drain commissioner, on behalf of the drainage districts, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district.

The Drain Commission is considered to be a component unit of the County because the County has the ability to significantly influence operations and has accountability for fiscal matters.

The financial statements of the Drain Commission are included in the County's financial statements as a discrete component unit.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by program revenues (special assessments) and grant revenues.

A combined financial statement is provided for the governmental fund balance sheet and the statement of net assets, and the governmental fund revenues, expenditures and changes in fund balances and the statement of activities. The following funds are considered to be major funds for financial reporting purposes.

Debt Service Funds:

Auburn Road Drain

Drain Debt Service Fund

BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

Debt Service Funds are used to account for the accumulation of resources for the payment of long-term debt principal, interest and related costs.

Capital Projects Funds:

Bangor Consolidated Drain Operation and Maintenance

Drain Capital Projects Fund

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements (statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements (governmental fund balance sheet and governmental fund revenues, expenditures and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Charges for services, grant revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash included in the County's pooled cash and funds deposited at financial institutions on behalf of the Drain Commission, and certificates of deposit with an original maturity of three months or less.

Due To and Due From Other Funds

The Drain Commission has occasional transactions between funds to finance construction and debt service. To the extent that certain transactions between funds had not been paid or received as of fiscal year end, balances of interfund receivables or payables have been recorded.

BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

Capital Assets

Capital assets, which include infrastructure, are reported in the government-wide statements (statement of net assets and statement of changes in net assets). Capital assets are defined by the Drain Commission as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, if any, are recorded at estimated fair value at the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded as capital expenditures at the time of purchase in the fund financial statements (statement of governmental fund revenues, expenditures and changes in fund balance) and are subsequently capitalized on the government-wide statements through an adjustment to the governmental fund total column.

Major outlays for capital assets and improvements are capitalized as projects when constructed. Capital assets of the Drain Commission are depreciated using the straight line method over the following estimated useful lives:

Building and improvements	5-50 years
Equipment	3-20 years
Vehicles and accessories	3-7 years
Office furniture and fixtures	3-20 years
Land improvements (infrastructure)	10-50 years

The Drain Commission is considered a “Phase III government” as it relates to implementation of GASB Statement No. 34 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Because the Drain Commission is a phase III government, it is required to account for general infrastructure assets prospectively, beginning January 1, 2003 but is not required to retroactive report infrastructure assets.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Revenue

Deferred revenue in the financial statements has been recorded for the amount of special assessments receivable and amounts due from primary government or other governmental units which are due during fiscal year 2006 and thereafter. Deferred revenue is also recorded for unearned grants and prepaid assessments, if any.

Risk Financing

The Drain Commission participates in the County's risk financing programs. Complete disclosures can be found in the County's Comprehensive Annual Financial Report.

2. CASH AND CASH EQUIVALENTS

The County has adopted an official investment policy which is in accordance with investments permitted by Act 20 of the Michigan Public Acts of 1943 as amended, Act 196 PA 1997 (the Act). The Act generally allows the County to deposit funds in banks, savings and loans, and credit unions; commercial paper; repurchase agreement; bankers acceptances; and, with some restrictions, mutual funds. The Drain Commission follows the County's investment policy.

Financial Statement Captions:

Cash and cash equivalents	<u>\$ 3,174,987</u>
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Notes to Financial Statement:

Deposits	\$ 2,361,026
Commercial Paper	<u>813,961</u>

Total	<u>\$ 3,174,987</u>
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BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

The Drain Commission chooses to disclose its investments by specifically identifying each. As of December 31, 2006, the Drain Commission had the following investments.

Investment	Fair Value	Maturity	Credit Ratings	
			Moody's Investor's Services	Standard & Poors
Daimler Chrysler NA HLDG 3(a)3 Commercial Paper	\$ 285,921	Less than 1 year	P2	A2
General Electric Cap Corp 3(a)3 Commercial Paper	<u>528,040</u>	Less than 1 year	P1	A1
	<u>\$ 813,961</u>			

Investment and deposit risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturity dates of the Drain Commission's investments are shown above.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified above. The County's investment policy does not have specific limits in excess of state law on investment credit risk. The ratings for each investment are identified above for investments held at year end.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Drain Commission's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. Qualifying deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Because the deposits are in the name of the County Treasurer, the risk associated with these deposits is not determinable.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Drain Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial credit risk. However, the County's investment policy states that no more than sixty percent of the County investment portfolio will be invested with a single financial institution. However, while uninsured and unregistered, the Drain Commission's funds are not exposed to custodial credit risk since the securities are held in the counterparty's trust department in the Drain Commission's name.

BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified above. The County's investment policy states that with the exception of U.S. Treasury securities and authorized pools, no more than sixty percent of the County investment portfolio should be invested in a single security type. Each of the investments above are more than five percent of the Drain Commission's investments.

3. SPECIAL ASSESSMENTS

The Drain Commission may levy special assessments to cover the construction and debt associated with work in a drain district. The amount is determined by September 1 and is added to the December tax bill. The special assessments become an enforceable lien on property as of December 1. Taxes are levied on December 1, and are payable by February 28. The cities and townships within the County bill and collect the assessments for the County. Special assessments levied December 1 are considered revenue for the subsequent years; therefore special assessments in the governmental funds have been offset by deferred revenue. The property owner may pay off the assessment early or pay the portion due for that year. The total amount that is not expected to be collected within one year is \$1,386,100.

4. DEFINED BENEFIT PENSION PLAN

The Drain Commission participates with the County in their single-employer defined benefit pension plan, the Bay County Employees' Retirement System (the Plan). The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The Plan does not issue stand-alone financial statements and is not included in the financial report of any other entity. Complete disclosures related to the Plan can be found in the County's Comprehensive Annual Financial Report.

BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The following table summarizes the changes in the capital assets for the year ended December 31, 2006:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 79,500	\$ 276,173	\$ -	\$ 355,673
Capital assets being depreciated:				
Land improvements	1,363,872	160,605	-	1,524,477
Buildings	171,681	-	-	171,681
Machinery and equipment	287,807	103,901	(45,882)	345,826
Office furniture and equipment	46,848	-	(2,005)	44,843
Vehicles	<u>134,093</u>	<u>-</u>	<u>(29,185)</u>	<u>104,908</u>
Total capital assets being depreciated	<u>2,004,301</u>	<u>264,506</u>	<u>(77,072)</u>	<u>2,191,735</u>
Less accumulated depreciation				
Land improvements	(39,269)	(28,275)	-	(67,544)
Buildings	(147,953)	(5,727)	-	(153,680)
Machinery and equipment	(223,697)	(9,987)	45,882	(187,802)
Office furniture and equipment	(46,848)	(11,202)	2,005	(56,045)
Vehicles	<u>(39,787)</u>	<u>-</u>	<u>1,095</u>	<u>(38,692)</u>
Total accumulated depreciation	<u>(497,554)</u>	<u>(55,191)</u>	<u>48,982</u>	<u>(503,763)</u>
Total capital assets being depreciated, net	<u>1,506,747</u>	<u>209,315</u>	<u>(28,090)</u>	<u>1,687,972</u>
Total capital assets, net	<u>\$ 1,586,247</u>	<u>\$ 485,488</u>	<u>\$ (28,090)</u>	<u>\$ 2,043,645</u>

BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

6. LONG-TERM DEBT

Long-term debt consists of limited tax general obligation bonds and notes, described as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
Columbia Drainage District Bonds					
The bonds dated September 1, 1988 which bear interest at 5.8% to 7.8% are due serially through 2008.	\$ 210,000	\$ -	\$ (70,000)	\$ 140,000	\$ 70,000
Auburn Road Drain Bonds					
The bonds dated December 1, 1992 which bear interest at 4.5% to 8.0% are due serially through 2013.	900,000	-	(100,000)	800,000	100,000
Baxman Drain Bonds					
The bonds dated March 1, 2004 which bear interest at 2.25% to 3.5% are due serially through 2012.	340,000	-	(45,000)	295,000	45,000
Constant DuRussell Intercounty Drain Bonds					
The bonds dated September 1, 2005 which bear interest at 3.0% to 3.35% are due serially through 2010.	165,000	-	(33,000)	132,000	33,000
Goetz Intercounty Drain Bonds					
The bonds dated December 1, 2006 which bear interest at 4.0% are due serially through 2014.	-	496,091	-	496,091	-
Hildebrandt Anderson Drain Bond 1998 Series					
The bonds dated June 8, 1998 which bear interest at 4.0% are due serially through 2006.	55,000	-	(55,000)	-	-
Total bonds payable	<u>1,670,000</u>	<u>496,091</u>	<u>(303,000)</u>	<u>1,863,091</u>	<u>248,000</u>

The payments of principal and interest for each bond are to be made primarily from special assessments on the applicable drainage district. The County has pledged its full faith and credit for the payment of each of the bonds.

There were no proceeds received for the Goetz Intercounty Drain Bonds issued in 2006 because Saginaw County is the treasurer of this bond issue.

BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes payable:					
Munger Road Drain, due on June 1, 2010, at an interest rate of 4.75%	\$ 168,012	\$ -	\$ (33,602)	\$ 134,410	\$ 33,602
Rosebush Drain, due on June 1, 2010, at an interest rate of 4.75%	153,133	-	(30,627)	122,506	30,627
Goss and Branches Drain, due on June 1, 2006, at an interest rate of 4.45%	15,065	-	(15,065)	-	-
Popp Drain, due on June 1, 2006, at an interest rate of 4.64%	37,036	-	(37,036)	-	-
Plant Road Drain, due on June 1, 2006, at an interest rate of 4.66%	13,840	-	(13,840)	-	-
Mayville Drain, due on June 1, 2006, at an interest rate of 4.66%	12,626	-	(12,626)	-	-
McDonald Drain, due on June 1, 2012, at an interest rate of 4.90%	123,875	-	(17,696)	106,179	17,696
Batko Drain, due on June 1, 2010, at an interest rate of 4.75%	30,673	-	(6,135)	24,538	6,135
Arnold Drain, due on June 1, 2010, at an interest rate of 4.75%	43,135	-	(8,627)	34,508	8,627
Histead Drain, due on June 1, 2006, at an interest rate of 4.70%	3,782	-	(3,782)	-	-
Weiss Meed and Branches Drain, due on June 1, 2006, at an interest rate of 2.67 %	80,000	-	(80,000)	-	-
Kindell Drain, due on June 1, 2011, at an interest rate of 3.79%	73,296	-	(12,893)	60,403	12,592
Schroeder Drain, due on June 1, 2009, at an interest rate of 4.53%	-	17,182	-	17,182	5,727
Vennard Drain, due on June 1, 2009, at an interest rate of 4.58%	-	9,500	-	9,500	3,167
Total notes payable	<u>754,473</u>	<u>26,682</u>	<u>(271,929)</u>	<u>509,226</u>	<u>118,173</u>
Total long-term debt	<u>\$ 2,424,473</u>	<u>\$ 522,773</u>	<u>\$ (574,929)</u>	<u>\$ 2,372,317</u>	<u>\$ 366,173</u>

Maturities of long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>
2007	\$ 366,173	\$ 107,692
2008	431,850	87,599
2009	361,369	69,115
2010	386,455	51,745
2011	280,509	34,143
2012-2014	<u>545,961</u>	<u>30,438</u>
Total	<u>\$ 2,372,317</u>	<u>\$ 380,732</u>

BAY COUNTY DRAIN COMMISSION

NOTES TO FINANCIAL STATEMENTS

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Capital Projects Funds:		
Drain Capital Projects Fund	\$ 13,995	\$ 563,647
Portsmouth Drain		
Operation and Maintenance	-	1,058
Bangor Consolidated Drain		
Operation and Maintenance	10,834	1,378
Revolving Drain	<u>541,254</u>	<u>-</u>
Total	<u>\$ 566,083</u>	<u>\$ 566,083</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The amounts of transfers in and transfers out are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects Funds:		
Drain Capital Projects Fund	\$ 126,610	\$ 79,783
Drain Debt Service Fund	-	25,259
Bangor Consolidated Drain		
Operation and Maintenance	<u>-</u>	<u>21,568</u>
Total	<u>\$ 126,610</u>	<u>\$ 126,610</u>

Transfers are used to (1) reimburse expenditures paid by one drain fund that represent expenditures of another fund and (2) move excess debt proceeds from capital projects activities to operations and maintenance activities.

8. RESTATEMENTS

On the Statement of Net Assets for the year ended December 31, 2005, errors were made in accounting for receivables from other governmental units. These errors have been corrected and had the following effect on the beginning net assets:

Beginning net assets, as previously reported	\$ 4,964,963
Adjustment for receivables	<u>(66,918)</u>
Beginning net assets, as restated	<u>\$ 4,898,045</u>

* * * * *

BAY COUNTY DRAIN COMMISSION
A COMPONENT UNIT OF BAY COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2006

	DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS		
	Columbia Drain District Debt Service Fund	Hampton Charter Drain Operation and Maintenance	Portsmouth Drain Operation and Maintenance	Revolving Drain	Total
ASSETS					
Cash and cash equivalents	\$ 76,712	\$ 131,456	\$ 9,939	\$ -	\$ 218,107
Special assessments receivable	105,211	-	-	-	105,211
Accrued interest receivable	1,111	2,248	130	-	3,489
Due from other funds	-	-	-	541,254	541,254
Due from primary government	12,567	13,300	497	-	26,364
Due from other governmental units	11,566	-	5,000	-	16,566
TOTAL ASSETS	\$ 207,167	\$ 147,004	\$ 15,566	\$ 541,254	\$ 910,991
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Account payable	\$ -	\$ 1,290	\$ 313	\$ -	\$ 1,603
Due to other governmental units	-	5,050	-	-	5,050
Due to other funds	-	-	1,058	-	1,058
Due to primary government	-	-	447	541,254	541,701
Deferred revenue	151,569	13,300	5,497	-	170,366
TOTAL LIABILITIES	151,569	19,640	7,315	541,254	719,778
FUND BALANCES					
Reserved for debt service	55,598	-	-	-	55,598
Unreserved / undesignated	-	127,364	8,251	-	135,615
Total fund balances	55,598	127,364	8,251	-	191,213
TOTAL LIABILITIES AND FUND BALANCES	\$ 207,167	\$ 147,004	\$ 15,566	\$ 541,254	\$ 910,991

BAY COUNTY DRAIN COMMISSION
A COMPONENT UNIT OF BAY COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006

	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS			
	Columbia Drain District Debt Service Fund	Hampton Charter Drain Operation and Maintenance	Portsmouth Drain Operation and Maintenance	Revolving Drain	Total
REVENUE					
Licenses and permits	\$ -	\$ 400	\$ -	\$ -	\$ 400
Special assessments	60,893	1,890	1,235	-	64,018
Interest, rents and reimbursements	4,053	9,951	490	-	14,494
Reimbursements, refunds, and other revenues	9,126	15,290	1,250	-	25,666
Contribution from local units	12,385	-	22,515	-	34,900
TOTAL REVENUE	86,457	27,531	25,490	-	139,478
EXPENDITURES					
Debt service:					
Principal	70,000	-	-	-	70,000
Interest and fiscal charges	13,065	-	-	-	13,065
Contractual services	-	166,242	6,931	-	173,173
TOTAL EXPENDITURES	83,065	166,242	6,931	-	256,238
NET CHANGE IN FUND BALANCES	3,392	(138,711)	18,559	-	(116,760)
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	52,206	266,075	(10,308)	-	307,973
FUND BALANCES, END OF YEAR	\$ 55,598	\$ 127,364	\$ 8,251	\$ -	\$ 191,213

SCHEDULES

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	<u>Ames</u>	<u>Auburn</u>	<u>Anderson</u>	<u>Appold</u>
Assets				
Cash	\$ 150	\$ 10,873	\$ 32	\$ 534
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Due from primary government	-	-	-	-
Assessments receivable	-	-	-	-
Interest receivable	-	152	-	-
Total assets	<u>150</u>	<u>11,025</u>	<u>32</u>	<u>534</u>
Liabilities				
Accounts payable	-	36	-	-
Due to other funds	-	400	-	-
Due to primary government	-	473	-	-
Due to other governmental units	-	1,397	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>2,306</u>	<u>-</u>	<u>-</u>
Net worth	<u>\$ 150</u>	<u>\$ 8,719</u>	<u>\$ 32</u>	<u>\$ 534</u>

Arnold	Augustyniak	Bartlett	Batko	Bauer & Brs.	Beard	Beaver Dam
\$ 9,228	\$ 1,782	\$ 1,816	\$ 13,096	\$ 2,172	\$ 3,484	\$ 8,341
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
130	22	-	184	30	46	119
9,358	1,804	1,816	13,280	2,202	3,530	8,460
-	-	-	-	-	-	-
-	-	-	405	-	-	-
-	-	-	609	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,014	-	-	-
\$ 9,358	\$ 1,804	\$ 1,816	\$ 12,266	\$ 2,202	\$ 3,530	\$ 8,460

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Beckman	Goss	Behmlander	Beiser	Bench
Assets					
Cash	\$ -	\$ 16,535	\$ 24,335	\$ 12,546	\$ 350
Due from other funds	-	-	-	-	-
Due from other governmental units	300	-	-	-	-
Due from primary government	300	-	-	-	-
Assessments receivable	-	-	-	-	-
Interest receivable	-	246	350	180	-
Total assets	600	16,781	24,685	12,726	350
Liabilities					
Accounts payable	-	-	-	-	-
Due to other funds	592	-	-	-	-
Due to primary government	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Deferred revenue	600	-	-	-	-
Total liabilities	1,192	-	-	-	-
Net worth	\$ (592)	\$ 16,781	\$ 24,685	\$ 12,726	\$ 350

Betzold	Bleshenski	Blondin & Branches	Bradford Creek & Branches	Bryce	Budd	Buechler	Campbell
\$ 8,080	\$ 272	\$ 990	\$ 40,686	\$ 980	\$ -	\$ 6,091	\$ 539
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
113	-	-	570	-	-	78	-
8,193	272	990	41,256	980	-	6,169	539
-	-	-	-	-	-	-	-
249	-	54	1,005	-	-	-	-
24	-	-	-	-	-	-	-
-	-	-	900	-	-	-	-
-	-	-	-	-	-	-	-
273	-	54	1,905	-	-	-	-
\$ 7,920	\$ 272	\$ 936	\$ 39,351	\$ 980	\$ -	\$ 6,169	\$ 539

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Cheboyganning Creek Sag Bay	Chip Road	Clark	Coggins, Green, Poirer
Assets				
Cash	\$ 1,148	\$ 2,707	\$ 427	\$ 33,509
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Due from primary government	-	790	-	-
Assessments receivable	-	2,186	-	-
Interest receivable	16	-	-	481
Total assets	1,164	5,683	427	33,990
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	-	9,530	-	-
Due to primary government	-	1,508	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	-	2,975	-	-
Total liabilities	-	14,013	-	-
Net worth	\$ 1,164	\$ (8,330)	\$ 427	\$ 33,990

Cole	Col. Salz, Col. Salz, Wen. Kes & Br.	Constant DuRussell	Cooper	Countegan	Crump	Culver Creek	Dredge Cut 1921
\$ 1,389	\$ 189	\$ 858	\$ 100	\$ 6,056	\$ 44,114	\$ 17,313	\$ 9,364
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
19	-	-	-	87	631	243	128
1,408	189	858	100	6,143	44,745	17,556	9,492
-	355	-	-	-	-	-	-
-	6,068	-	-	-	-	-	-
-	1,694	-	-	-	-	-	-
-	-	-	-	-	-	550	-
-	-	-	-	-	-	-	-
-	8,117	-	-	-	-	550	-
\$ 1,408	\$ (7,928)	\$ 858	\$ 100	\$ 6,143	\$ 44,745	\$ 17,006	\$ 9,492

(Continued)

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006**

	Davis	DeClerk	Dell Creek & Brs.	Dell Creek & Brs. #5
Assets				
Cash	\$ 12,896	\$ 100	\$ 7,847	\$ 50
Due from other funds	-	-	3,395	-
Due from other governmental units	-	-	-	-
Due from primary government	-	-	-	-
Assessments receivable	-	-	-	-
Interest receivable	186	-	102	-
Total assets	13,082	100	11,344	50
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	-	-	250,253	-
Due to primary government	-	-	287	-
Due to other governmental units	-	-	1,000	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	251,540	-
Net worth	\$ 13,082	\$ 100	\$ (240,196)	\$ 50

Denton Dr.	DeShano	Dewyse	Diehl	Dingman	Douglas	Dubay
\$ 3,980	\$ 5,884	\$ 33,117	\$ 100	\$ 2,211	\$ 2,394	\$ 18,750
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
58	84	476	-	25	34	259
4,038	5,968	33,593	100	2,236	2,428	19,009
-	-	-	-	-	-	-
-	-	40	-	-	-	-
-	-	48	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	88	-	-	-	-
\$ 4,038	\$ 5,968	\$ 33,505	\$ 100	\$ 2,236	\$ 2,428	\$ 19,009

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Erickson	Fanger	Fisher	Fitzhugh Dr
Assets				
Cash	\$ 44,460	\$ 28,790	\$ 825	\$ 427
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Due from primary government	-	-	-	-
Assessments receivable	-	-	-	-
Interest receivable	636	415	-	-
Total assets	45,096	29,205	825	427
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	58
Due to primary government	-	-	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	58
Net worth	\$ 45,096	\$ 29,205	\$ 825	\$ 369

Forester	Fraser- Garfield	Garvey	German Rd	Gibson	Goetz	Goulet
\$ 1,186	\$ 1,709	\$ 532	\$ 24,247	\$ 8,133	\$ 76,476	\$ 707
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	344	117	45	-
1,186	1,709	532	24,591	8,250	76,521	707
-	-	-	-	-	-	-
-	4,593	-	57	-	76,892	-
-	503	-	72	-	-	-
-	-	-	-	-	489	-
-	-	-	-	-	-	-
-	5,096	-	129	-	77,381	-
\$ 1,186	\$ (3,387)	\$ 532	\$ 24,462	\$ 8,250	\$ (860)	\$ 707

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Graham	Gregory	Gunther	Hadd
Assets				
Cash	\$ 2,145	\$ 100	\$ 282	\$ 5,528
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	784
Due from primary government	-	-	-	435
Assessments receivable	-	-	-	3,277
Interest receivable	26	-	-	64
Total assets	2,171	100	282	10,088
Liabilities				
Accounts payable	-	-	-	35
Due to other funds	-	-	-	326
Due to primary government	-	-	-	421
Due to other governmental units	-	-	-	-
Deferred revenue	-	-	-	4,495
Total liabilities	-	-	-	5,277
Net worth	\$ 2,171	\$ 100	\$ 282	\$ 4,811

Halstead	Hayward	Hearit	Helmuth	Hembling- Main	Hildebrandt- Anderson	Histead
\$ 14,974	\$ 1,658	\$ 200	\$ 50	\$ 81,239	\$ 53,099	\$ 5,265
-	-	-	-	-	-	-
-	-	-	375	-	-	-
-	-	-	375	-	-	-
-	-	-	1,750	-	-	-
216	-	-	-	1,164	981	66
15,190	1,658	200	2,550	82,403	54,080	5,331
-	-	-	-	-	-	-
-	1,831	-	5,004	-	5,369	-
-	1,670	-	52	-	-	-
-	-	-	-	-	-	-
-	-	-	2,500	-	-	-
-	3,501	-	7,556	-	5,369	-
\$ 15,190	\$ (1,843)	\$ 200	\$ (5,006)	\$ 82,403	\$ 48,711	\$ 5,331

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Hoppler Crk	Hudson	Indiantown	Johnson	Kaiser
Assets					
Cash	\$ 2,249	\$ 15,856	\$ 452	\$ 25,142	\$ 3,209
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Due from primary government	-	-	-	-	-
Assessments receivable	-	-	-	-	-
Interest receivable	24	229	-	359	47
Total assets	2,273	16,085	452	25,501	3,256
Liabilities					
Accounts payable	-	-	-	-	-
Due to other funds	12,660	-	-	-	-
Due to primary government	94	-	-	-	-
Due to other governmental units	450	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	13,204	-	-	-	-
Net worth	\$ (10,931)	\$ 16,085	\$ 452	\$ 25,501	\$ 3,256

Kannell		Kesemeier		Kaweck		Keck		Kerr		Kindell & Bros		Kinney	
\$	33	\$	1,237	\$	609	\$	30,854	\$	3,458	\$	33,729	\$	2,675
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		439		44		476		32
	33		1,237		609		31,293		3,502		34,205		2,707
	-		-		-		-		-		-		-
	249		65		-		-		119		-		-
	102		-		-		-		95		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	351		65		-		-		214		-		-
\$	(318)	\$	1,172	\$	609	\$	31,293	\$	3,288	\$	34,205	\$	2,707

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Klauss	Kochville- Frank	Kolb	Kossick	Kowalski
Assets					
Cash	\$ 976	\$ 58,071	\$ 60	\$ 100	\$ 535
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Due from primary government	-	-	-	-	-
Assessments receivable	-	-	-	-	-
Interest receivable	-	825	-	-	-
Total assets	976	58,896	60	100	535
Liabilities					
Accounts payable	-	-	-	-	-
Due to other funds	-	-	765	-	-
Due to primary government	-	-	286	-	-
Due to other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	-	1,051	-	-
Net worth	\$ 976	\$ 58,896	\$ (991)	\$ 100	\$ 535

Krainer	Krzyzaniak	Lambert	Lapan	Lee Davis	Legness	Lesp. Rezler Taylor
\$ 33	\$ 77	\$ 32,362	\$ 198	\$ 405	\$ 558	\$ 694
-	-	-	-	-	-	-
300	-	-	-	-	-	-
300	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	461	-	-	-	-
633	77	32,823	198	405	558	694
-	-	-	-	-	-	-
1,067	-	-	-	-	-	-
1,488	-	-	-	-	-	-
-	-	-	-	-	-	-
600	-	-	-	-	-	-
3,155	-	-	-	-	-	-
\$ (2,522)	\$ 77	\$ 32,823	\$ 198	\$ 405	\$ 558	\$ 694

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Lincoln	Link	Livingston	Lobodzinski	MacArthur (Sag Bay/Merritt)	McDonald
Assets						
Cash	\$ 329	\$ 2,456	\$ 19,597	\$ 202	\$ (28)	\$ 19,054
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Due from primary government	-	-	-	-	-	-
Assessments receivable	-	-	-	-	-	-
Interest receivable	-	33	283	-	-	266
Total assets	329	2,489	19,880	202	(28)	19,320
Liabilities						
Accounts payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	5,072	-
Due to primary government	-	-	-	-	340	-
Due to other governmental units	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	5,412	-
Net worth	\$ 329	\$ 2,489	\$ 19,880	\$ 202	\$ (5,440)	\$ 19,320

McArthur (Williams)	Mason	Mayville	Meddaugh	Merritt	Meyer
\$ 4,602	\$ 7,180	\$ 27,931	\$ 5,980	\$ 278	\$ 98
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
58	103	407	86	-	-
4,660	7,283	28,338	6,066	278	98
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 4,660	\$ 7,283	\$ 28,338	\$ 6,066	\$ 278	\$ 98

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Michalski	Mill Pond	Mill Pond #4	Monsion
Assets				
Cash	\$ 2,609	\$ 5,469	\$ 213	\$ 678
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Due from primary government	-	-	-	-
Assessments receivable	-	-	-	-
Interest receivable	34	78	-	-
Total assets	2,643	5,547	213	678
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Due to primary government	-	-	-	-
Due to other governmental units	-	3,575	25	-
Deferred revenue	-	-	-	-
Total liabilities	-	3,575	25	-
Net worth	\$ 2,643	\$ 1,972	\$ 188	\$ 678

Moore	Muldoon Ditch	Munger Road	Nearing & Dean	North Br Dr	Oakwood	Old Townline
\$ 606	\$ 200	\$ 31,408	\$ 1,969	\$ 16,339	\$ 8,886	\$ 14,106
-	-	-	-	-	-	-
-	-	-	-	-	754	-
-	-	-	-	-	327	-
-	-	-	-	-	3,919	-
-	-	446	27	231	104	189
606	200	31,854	1,996	16,570	13,990	14,295
-	-	-	-	-	15	-
-	-	27	-	-	357	13
-	-	-	-	-	471	25
-	-	-	-	-	-	-
-	-	-	-	-	5,000	-
-	-	27	-	-	5,843	38
\$ 606	\$ 200	\$ 31,827	\$ 1,996	\$ 16,570	\$ 8,147	\$ 14,257

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Ott	O'Keefe	Panzer	Penkala
Assets				
Cash	\$ 201	\$ 1,061	\$ 1,570	\$ 216
Due from other funds	-	-	-	-
Due from other governmental units	239	-	-	-
Due from primary government	239	-	-	-
Assessments receivable	-	-	-	-
Interest receivable	-	-	23	-
Total assets	679	1,061	1,593	216
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Due to primary government	-	-	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	477	-	-	-
Total liabilities	477	-	-	-
Net worth	\$ 202	\$ 1,061	\$ 1,593	\$ 216

Perry Creek	Phillips	Pine	Plant Road	Popp	Prast	Railroad Dr
\$ 9,071	\$ 5,332	\$ 962	\$ 39,343	\$ 55,764	\$ 21,238	\$ 19,185
-	-	-	-	-	-	-
-	-	-	-	-	-	3,196
-	-	-	-	-	-	2,574
-	-	-	-	-	-	19,231
120	77	-	559	822	297	268
9,191	5,409	962	39,902	56,586	21,535	44,454
-	-	-	-	-	-	-
-	-	-	-	267	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	25,000
-	-	-	-	267	-	25,000
\$ 9,191	\$ 5,409	\$ 962	\$ 39,902	\$ 56,319	\$ 21,535	\$ 19,454

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Raska	Rathke	Rattell	Redy
Assets				
Cash	\$ 379	\$ 579	\$ 4,323	\$ 127
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Due from primary government	-	-	-	-
Assessments receivable	-	-	-	-
Interest receivable	-	-	63	-
Total assets	379	579	4,386	127
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	270	-	-	-
Due to primary government	-	-	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	270	-	-	-
Net worth	\$ 109	\$ 579	\$ 4,386	\$ 127

Reichard	Reinhart	Renner	Ripley	Robbins	Rosebush	Rouche
\$ 1,118	\$ 705	\$ -	\$ 4,698	\$ 8,897	\$ 38,409	\$ 633
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16	-	-	67	129	549	-
1,134	705	-	4,765	9,026	38,958	633
-	-	-	-	-	-	-
25	-	-	-	-	-	-
50	-	11	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
75	-	11	-	-	-	-
\$ 1,059	\$ 705	\$ (11)	\$ 4,765	\$ 9,026	\$ 38,958	\$ 633

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Russell Rd	Schoof	Schroeder	Schumacker- Ellison	Secord
Assets					
Cash	\$ 1,885	\$ 7,013	\$ (213)	\$ 3,744	\$ 5,027
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Due from primary government	-	-	-	-	-
Assessments receivable	-	-	-	-	-
Interest receivable	26	93	-	47	71
Total assets	1,911	7,106	(213)	3,791	5,098
Liabilities					
Accounts payable	-	-	-	-	-
Due to other funds	-	-	50	-	4,588
Due to primary government	-	-	-	-	75
Due to other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	-	50	-	4,663
Net worth	\$ 1,911	\$ 7,106	\$ (263)	\$ 3,791	\$ 435

Seebeck	Selle	Selleck & Brs	Shinbines	Shue	Stieve	Stone	Tap-Grove	Tebo-Erickson
\$ -	\$ 638	\$ 2,014	\$ 3,374	\$ 251	\$ -	\$ 1,599	\$ 1,910	\$ 750
-	-	-	-	-	-	-	-	-
375	-	-	-	-	-	-	-	-
250	-	-	-	-	-	-	-	-
1,875	-	-	-	-	-	-	-	-
-	-	21	46	-	-	-	23	-
2,500	638	2,035	3,420	251	-	1,599	1,933	750
-	-	-	-	-	-	-	-	-
5,289	-	-	113	-	450	-	-	-
632	-	-	224	-	145	-	-	-
-	-	-	-	-	-	1,600	-	-
2,500	-	-	-	-	-	-	-	-
8,421	-	-	337	-	595	1,600	-	-
\$ (5,921)	\$ 638	\$ 2,035	\$ 3,083	\$ 251	\$ (595)	\$ (1)	\$ 1,933	\$ 750

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Tennant		Tobico		Trieber		Trombley Main	
Assets								
Cash	\$	415	\$	75	\$	12,387	\$	75,905
Due from other funds		-		-		-		-
Due from other governmental units		-		208		-		-
Due from primary government		-		63		-		-
Assessments receivable		-		1,129		-		-
Interest receivable		-		-		175		1,099
Total assets		415		1,475		12,562		77,004
Liabilities								
Accounts payable		-		-		-		-
Due to other funds		-		1,400		-		-
Due to primary government		-		-		-		24
Due to other governmental units		-		-		-		-
Deferred revenue		-		1,400		-		-
Total liabilities		-		2,800		-		24
Net worth	\$	415	\$	(1,325)	\$	12,562	\$	76,980

Uhlman	Uhlman Branch	VanDeVyvere	Vennard	Vogtman	Waldo	Walk
\$ 44,952	\$ 1,933	\$ 2,821	\$ 4,105	\$ 4,104	\$ 10,691	\$ 100
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
641	28	35	41	58	152	-
45,593	1,961	2,856	4,146	4,162	10,843	100
-	-	-	-	-	-	-
-	-	-	154	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	154	-	-	-
\$ 45,593	\$ 1,961	\$ 2,856	\$ 3,992	\$ 4,162	\$ 10,843	\$ 100

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Warmbier	Webster Merritt	Webster Williams	Wecker
Assets				
Cash	\$ 2,202	\$ 609	\$ 50	\$ 9,115
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Due from primary government	-	-	-	-
Assessments receivable	-	-	-	-
Interest receivable	32	-	-	129
Total assets	2,234	609	50	9,244
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Due to primary government	-	-	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
Net worth	\$ 2,234	\$ 609	\$ 50	\$ 9,244

Wegener	Weiss Meade	Wenglikowski	West Branch	West Branch #1	West Branch #2	Wetter
\$ 6,012	\$ 76,603	\$ 370	\$ 30,252	\$ 6,608	\$ 3,751	\$ 3,036
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
87	1,112	-	426	96	53	36
6,099	77,715	370	30,678	6,704	3,804	3,072
-	-	-	-	-	-	-
-	13	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	13	-	-	-	-	-
\$ 6,099	\$ 77,702	\$ 370	\$ 30,678	\$ 6,704	\$ 3,804	\$ 3,072

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	White	WhiteFeather Wilson	WhiteFeather Br. 1	WhiteFeather Br. 2	WhiteFeather
Assets					
Cash	\$ 1,437	\$ 125	\$ 304	\$ 632	\$ 800
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	525
Due from primary government	-	-	-	-	5,018
Assessments receivable	-	-	-	-	24,118
Interest receivable	20	-	-	-	-
Total assets	1,457	125	304	632	30,461
Liabilities					
Accounts payable	-	-	-	-	-
Due to other funds	-	-	-	-	7,185
Due to primary government	-	105	-	-	-
Due to other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	-	29,661
Total liabilities	-	105	-	-	36,846
Net worth	\$ 1,457	\$ 20	\$ 304	\$ 632	\$ (6,385)

Wilcox	Williard	Wilson	WhiteFeather Br. 3	Witbrodt	Youngs Ditch	Ziegler
\$ 293	\$ 24	\$ 100	\$ 170	\$ 4,077	\$ 14,992	\$ 4,018
-	-	-	-	-	-	-
-	-	-	-	-	-	1,043
-	-	-	-	-	-	872
-	-	-	-	-	-	5,085
-	-	-	-	59	207	22
293	24	100	170	4,136	15,199	11,040
-	-	-	-	-	-	237
64,268	-	-	260	-	-	531
48	-	-	275	-	-	720
500	-	-	-	-	-	-
-	-	-	-	-	-	7,000
64,816	-	-	535	-	-	8,488
\$ (64,523)	\$ 24	\$ 100	\$ (365)	\$ 4,136	\$ 15,199	\$ 2,552

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Zimmerman	Baxman	Bis	Dingman #3	Erickson Branch 1&2
Assets					
Cash	\$ 100	\$ 33,308	\$ 914	\$ 3,267	\$ 28,990
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Due from primary government	-	-	-	-	-
Assessments receivable	-	-	-	-	-
Interest receivable	-	459	-	47	415
Total assets	100	33,767	914	3,314	29,405
Liabilities					
Accounts payable	-	-	-	-	-
Due to other funds	-	1,719	-	-	-
Due to primary government	-	1,257	-	-	-
Due to other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	2,976	-	-	-
Net worth	\$ 100	\$ 30,791	\$ 914	\$ 3,314	\$ 29,405

Erickson Branch 1&4	Fraser- Garfield #2	Hugo	Kochville- Frankenlust	Kiesel	Kolb,Behm, Ebelt,Stephan	McNally
\$ 720	\$ 299	\$ 546	\$ 556	\$ 22,079	\$ 34	\$ 8,601
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	315	-	123
720	299	546	556	22,394	34	8,724
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 720	\$ 299	\$ 546	\$ 556	\$ 22,394	\$ 34	\$ 8,724

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Pinconning So Branch	Selleck Br. #2	Tebo Upper	Trombely Br. #1
Assets				
Cash	\$ 5,575	\$ 2,960	\$ 43,803	\$ 497
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Due from primary government	-	-	-	-
Assessments receivable	-	-	-	-
Interest receivable	78	42	626	-
Total assets	5,653	3,002	44,429	497
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Due to primary government	-	-	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
Net worth	\$ 5,653	\$ 3,002	\$ 44,429	\$ 497

Tebo Main	Weiss Br of Weiss Rd	Fraser- Garfield #3	Kerr,Jammer, Szymanski	Stephan & Bros	Quanicassee River I.C.	Pinconning River
\$ 300	\$ 8,058	\$ 405	\$ 3,246	\$ 4,323	\$ 2,573	\$ 412
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	115	-	34	40	37	-
300	8,173	405	3,280	4,363	2,610	412
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 300	\$ 8,173	\$ 405	\$ 3,280	\$ 4,363	\$ 2,610	\$ 412

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Kawkawlin River	Saginaw- Midland	Saganing River	Bis Extension
Assets				
Cash	\$ 1,687	\$ 2	\$ 100	\$ -
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Due from primary government	-	-	-	-
Assessments receivable	-	-	-	-
Interest receivable	21	-	-	-
Total assets	1,708	2	100	-
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	18,077
Due to primary government	-	-	-	-
Due to other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	18,077
Net worth	\$ 1,708	\$ 2	\$ 100	\$ (18,077)

Squaconning Creek	Betzold #1,9,10	Saginaw Bay Site Review	Drain Equipment	Drain Maintenance	Drain Admin Account	Myra Lee Midland Fraser FEMA
\$ 150	\$ 32,128	\$ 1,700	\$ 28,967	\$ 22,525	\$ 158,990	\$ 1,204
-	-	-	5,905	-	1,378	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	452	-	397	733	2,165	-
150	32,580	1,700	35,269	23,258	162,533	1,204
-	-	-	-	-	80	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,700	-	-	-	-
-	-	-	-	-	-	-
-	-	1,700	-	-	80	-
\$ 150	\$ 32,580	\$ -	\$ 35,269	\$ 23,258	\$ 162,453	\$ 1,204

(Continued)

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006**

	Garfield Sub Mitigation FEMA	Myra Lee/ Kindell	Construction Accounts		
			Baxman	German Road	Popp Drain
Assets					
Cash	\$ -	\$ -	\$ 5,961	\$ -	\$ -
Due from other funds	3,317	-	-	-	-
Due from other governmental units	-	-	-	-	-
Due from primary government	-	-	-	-	-
Assessments receivable	-	-	-	-	-
Interest receivable	-	-	87	-	-
Total assets	3,317	-	6,048	-	-
Liabilities					
Accounts payable	8,984	-	-	-	-
Due to other funds	75,682	-	-	-	-
Due to primary government	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	84,666	-	-	-	-
Net worth	\$ (81,349)	\$ -	\$ 6,048	\$ -	\$ -

Construction Accounts

Hildebrandt Anderson	Plant Road Drain	Mayville Drain	Histed Drain	Treiber Drain	Goss Drain	Weiss Meed Drain
\$ 1,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,362	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 1,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Net Worth (Unaudited)
As of December 31, 2006

	Construction Accounts		
	Arnold Drain	Batko Drain	McDonald Drain
Assets			
Cash	\$ -	\$ -	\$ -
Due from other funds	-	-	-
Due from other governmental units	-	-	-
Due from primary government	-	-	-
Assessments receivable	-	-	-
Interest receivable	-	-	-
Total assets	-	-	-
Liabilities			
Accounts payable	-	-	-
Due to other funds	-	-	-
Due to primary government	-	-	-
Due to other governmental units	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	-	-
Net worth	\$ -	\$ -	\$ -

Construction Accounts					
Munger Road	Rosebush Drain	Vennard Drain	Schroeder Drain	Total	
\$ -	\$ -	\$ (166)	\$ 1,708	\$ 2,095,936	
-	-	-	-	13,995	
-	-	-	-	8,099	
-	-	-	-	11,543	
-	-	-	-	62,570	
-	-	-	-	28,415	
-	-	(166)	1,708	2,220,558	
-	-	-	-	9,742	
-	-	131	55	563,647	
-	-	141	-	13,969	
-	-	-	-	12,186	
-	-	-	-	82,208	
-	-	272	55	681,752	
\$ -	\$ -	\$ (438)	\$ 1,653	\$ 1,538,806	

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Ames	Auburn	Anderson	Appold
Revenues				
Special assessment revenue	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-
Permits	-	500	-	-
Rent	-	-	-	-
Interest earned on deposits	-	31	-	-
Interest earned on investments	-	619	-	-
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-
Transfers in	-	-	-	-
Total revenue	-	1,150	-	-
Expenditures				
Contractual services	-	3,038	-	-
Equipment rental	-	813	-	-
Insurance and bonds	-	-	-	-
Legal fees	-	-	-	-
Professional services	-	-	-	-
Legal notices	-	-	-	-
Repairs and maintenance	-	-	-	-
Reimbursements	-	1,708	-	-
Public utilities	-	290	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Transfers out	-	-	-	-
Total expenditures	-	5,849	-	-
Total revenue over (under) expenditures	-	(4,699)	-	-
Net worth, beginning of year	150	13,418	32	534
Net worth, end of year	\$ 150	\$ 8,719	\$ 32	\$ 534

Arnold		Augustyniak		Bartlett		Batko		Bauer & Brs.		Beard		Beaver Dam	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	21		3		6		32		5		8		19
	438		78		119		660		102		161		407
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	4		-		-		6		-		-		-
	463		81		125		698		107		169		426
	-		-		-		1,186		-		-		-
	-		-		355		405		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		564		609		-		-		-
	-		-		-		-		-		-		-
	-		-		-		27		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		919		2,227		-		-		-
	463		81		(794)		(1,529)		107		169		426
	8,895		1,723		2,610		13,795		2,095		3,361		8,034
\$	9,358	\$	1,804	\$	1,816	\$	12,266	\$	2,202	\$	3,530	\$	8,460

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Beckman	Goss	Behmlander	Beiser	Bench
Revenues					
Special assessment revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-	-
Permits	-	-	-	-	-
Rent	-	-	-	-	-
Interest earned on deposits	-	34	55	28	-
Interest earned on investments	-	773	1,197	615	-
Note proceeds	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-	-
Transfers in	-	1,287	-	-	-
Total revenue	-	2,094	1,252	643	-
Expenditures					
Contractual services	-	-	-	-	-
Equipment rental	-	-	-	-	-
Insurance and bonds	-	-	-	-	-
Legal fees	-	-	-	-	-
Professional services	-	-	-	-	-
Legal notices	-	-	-	-	-
Repairs and maintenance	592	-	-	-	-
Reimbursements	-	-	-	-	-
Public utilities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Transfers out	-	-	-	-	-
Total expenditures	592	-	-	-	-
Total revenue over (under) expenditures	(592)	2,094	1,252	643	-
Net worth, beginning of year	-	14,687	23,433	12,083	350
Net worth, end of year	\$ (592)	\$ 16,781	\$ 24,685	\$ 12,726	\$ 350

Betzold	Bleshenski	Blondin & Branches	Bradford Creek & Branches	Bryce	Budd	Buechler	Campbell
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
18	-	1	92	-	-	14	-
391	-	32	2,122	-	-	268	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
409	-	33	2,214	-	-	282	-
-	-	-	4,050	-	-	-	-
249	-	54	1,005	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
268	-	95	900	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
517	-	149	5,955	-	-	-	-
(108)	-	(116)	(3,741)	-	-	282	-
8,028	272	1,052	43,092	980	-	5,887	539
\$ 7,920	\$ 272	\$ 936	\$ 39,351	\$ 980	\$ -	\$ 6,169	\$ 539

(Continued)

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006**

	Cheboyganning Creek Sag Bay	Chip Road	Clark	Coggins, Green, Poirer
Revenues				
Special assessment revenue	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-
Permits	-	-	-	-
Rent	-	-	-	-
Interest earned on deposits	2	1	-	75
Interest earned on investments	56	-	-	1,650
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	-	2,706	-	-
Transfers in	-	-	-	-
Total revenue	58	2,707	-	1,725
Expenditures				
Contractual services	-	6,272	-	-
Equipment rental	-	1,775	-	-
Insurance and bonds	-	-	-	-
Legal fees	-	-	-	-
Professional services	-	-	-	-
Legal notices	-	-	-	-
Repairs and maintenance	-	1,482	-	-
Reimbursements	-	1,508	-	-
Public utilities	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Transfers out	-	-	-	-
Total expenditures	-	11,037	-	-
Total revenue over (under) expenditures	58	(8,330)	-	1,725
Net worth, beginning of year	1,106	-	427	32,265
Net worth, end of year	\$ 1,164	\$ (8,330)	\$ 427	\$ 33,990

Cole	Col. Salz, Wen. Kes & Br.	Constant DuRussell	Cooper	Countegan	Crump	Culver Creek	Dredge Cut 1921
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(12) \$	-
-	-	-	-	-	-	-	-
-	100	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3	3	-	-	14	98	39	20
67	107	-	-	294	2,163	833	441
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
70	210	-	-	308	2,261	860	461
-	368	-	-	-	-	-	-
-	938	-	-	-	-	-	-
-	748	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,137	-	-	-	-	-	-
-	3,050	-	-	-	-	-	-
-	2,258	-	-	-	-	-	-
-	18	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	11,517	-	-	-	-	-	-
70	(11,307)	-	-	308	2,261	860	461
1,338	3,379	858	100	5,835	42,484	16,146	9,031
\$ 1,408	\$ (7,928)	\$ 858	\$ 100	\$ 6,143	\$ 44,745	\$ 17,006	\$ 9,492

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Davis	DeClerk	Dell Creek & Brs.	Dell Creek & Brs. #5
Revenues				
Special assessment revenue	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-
Permits	-	-	-	-
Rent	-	-	360	-
Interest earned on deposits	29	-	20	-
Interest earned on investments	637	-	384	-
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-
Transfers in	-	-	-	-
Total revenue	666	-	764	-
Expenditures				
Contractual services	-	-	1,000	-
Equipment rental	-	-	1,064	-
Insurance and bonds	-	-	-	-
Legal fees	-	-	190	-
Professional services	-	-	-	-
Legal notices	-	-	-	-
Repairs and maintenance	-	-	131	-
Reimbursements	-	-	861	-
Public utilities	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	245,872	-
Transfers out	-	-	-	-
Total expenditures	-	-	249,118	-
Total revenue over (under) expenditures	666	-	(248,354)	-
Net worth, beginning of year	12,416	100	8,158	50
Net worth, end of year	\$ 13,082	\$ 100	\$ (240,196)	\$ 50

Denton Dr.		DeShano		Dewyse		Diehl		Dingman		Douglas		Dubay	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,008	\$	-
	-		-		-		-		-		287		-
	-		-		-		-		-		300		-
	-		-		-		-		-		-		-
	9		16		94		-		6		9		42
	197		369		2,047		-		93		137		891
	-		-		-		-		-		-		-
	-		-		-		-		-		205		-
	-		-		-		-		-		-		-
206		385		2,141		-		99		2,946		933	
	-		2,500		12,720		-		-		-		-
	-		-		77		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		407		297		-		633		-		-
	-		-		155		-		-		-		-
	-		-		-		-		-		-		-
	-		-		15		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
-		2,907		13,264		-		633		-		-	
206		(2,522)		(11,123)		-		(534)		2,946		933	
3,832		8,490		44,628		100		2,770		(518)		18,076	
\$	4,038	\$	5,968	\$	33,505	\$	100	\$	2,236	\$	2,428	\$	19,009

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Erickson	Fanger	Fisher	Fitzhugh Dr
Revenues				
Special assessment revenue	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-
Permits	-	-	-	-
Rent	-	-	-	-
Interest earned on deposits	99	65	-	-
Interest earned on investments	2,180	1,422	-	-
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-
Transfers in	-	-	-	-
Total revenue	2,279	1,487	-	-
Expenditures				
Contractual services	-	-	-	-
Equipment rental	-	-	-	50
Insurance and bonds	-	-	-	-
Legal fees	-	-	-	-
Professional services	-	-	-	-
Legal notices	-	-	-	-
Repairs and maintenance	-	-	-	-
Reimbursements	-	-	-	104
Public utilities	-	-	-	-
Miscellaneous	-	-	-	8
Capital outlay	-	-	-	-
Transfers out	-	-	-	-
Total expenditures	-	-	-	162
Total revenue over (under) expenditures	2,279	1,487	-	(162)
Net worth, beginning of year	42,817	27,718	825	531
Net worth, end of year	\$ 45,096	\$ 29,205	\$ 825	\$ 369

Forester	Fraser- Garfield	Garvey	German Rd	Gibson	Goetz	Goulet
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	100	-
-	-	-	-	-	-	-
3	-	-	55	19	14	-
6	-	-	1,197	399	141	-
-	-	-	-	-	-	-
-	2,380	-	-	-	74,902	-
-	-	-	-	-	-	-
9	2,380	-	1,252	418	75,157	-
-	4,188	-	-	-	3,349	-
-	405	-	144	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,418	-
-	-	-	-	-	60,376	-
-	-	-	-	-	792	-
-	-	-	-	-	-	-
-	503	-	311	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	22	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,096	-	455	-	65,957	-
9	(2,716)	-	797	418	9,200	-
1,177	(671)	532	23,665	7,832	(10,060)	707
\$ 1,186	\$ (3,387)	\$ 532	\$ 24,462	\$ 8,250	\$ (860)	\$ 707

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Graham	Gregory	Gunther	Hadd
Revenues				
Special assessment revenue	\$ -	\$ -	\$ -	\$ 5,920
Contributions from other governmental units	-	-	-	1,175
Permits	-	-	-	-
Rent	-	-	-	-
Interest earned on deposits	5	-	-	10
Interest earned on investments	91	-	-	133
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	405
Transfers in	-	-	-	-
Total revenue	96	-	-	7,643
Expenditures				
Contractual services	-	-	-	-
Equipment rental	-	-	-	738
Insurance and bonds	-	-	-	590
Legal fees	-	-	-	-
Professional services	-	-	-	-
Legal notices	-	-	-	-
Repairs and maintenance	-	-	-	-
Reimbursements	-	-	-	1,576
Public utilities	-	-	-	459
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Transfers out	-	-	-	-
Total expenditures	-	-	-	3,363
Total revenue over (under) expenditures	96	-	-	4,280
Net worth, beginning of year	2,075	100	282	531
Net worth, end of year	\$ 2,171	\$ 100	\$ 282	\$ 4,811

Halstead	Hayward	Hearit	Helmuth	Hembling- Main	Hildebrandt- Anderson	Histead
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	100	-
-	2,250	-	-	-	-	-
33	2	-	-	182	8	10
738	2	-	-	3,987	1,120	192
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	52,493	1,304
771	2,254	-	-	4,169	53,721	1,506
-	-	-	4,900	-	-	-
-	1,955	-	104	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,291	-	-	-	-	-
-	1,860	-	52	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,106	-	5,056	-	-	-
771	(2,852)	-	(5,056)	4,169	53,721	1,506
14,419	1,009	200	50	78,234	(5,010)	3,825
\$ 15,190	\$ (1,843)	\$ 200	\$ (5,006)	\$ 82,403	\$ 48,711	\$ 5,331

(Continued)

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006**

	Hoppler Crk	Hudson	Indiantown	Johnson	Kaiser
Revenues					
Special assessment revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-	-
Permits	-	-	-	-	-
Rent	-	-	-	-	-
Interest earned on deposits	5	36	-	56	7
Interest earned on investments	104	783	-	1,230	159
Note proceeds	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-	-
Transfers in	-	-	-	-	-
Total revenue	109	819	-	1,286	166
Expenditures					
Contractual services	-	-	-	-	-
Equipment rental	110	-	-	-	-
Insurance and bonds	-	-	-	-	-
Legal fees	-	-	-	-	-
Professional services	-	-	-	-	-
Legal notices	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Reimbursements	200	-	-	-	-
Public utilities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Transfers out	-	-	-	-	-
Total expenditures	310	-	-	-	-
Total revenue over (under) expenditures	(201)	819	-	1,286	166
Net worth, beginning of year	(10,730)	15,266	452	24,215	3,090
Net worth, end of year	\$ (10,931)	\$ 16,085	\$ 452	\$ 25,501	\$ 3,256

Kannell		Kesemeier		Kaweck		Keck		Kerr		Kindell & Bros		Kinney	
\$	760	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	95		-		-		-		-		-		-
	-		500		-		-		-		-		-
	-		-		-		-		-		-		-
	-		1		-		69		8		75		6
	-		4		-		1,506		151		1,617		111
	-		-		-		-		-		-		-
	95		-		-		-		-		-		-
	-		-		-		-		-		15		-
950		505		-		1,575		159		1,707		117	
	-		-		-		-		-		-		-
	-		65		-		-		119		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	102		-		-		-		95		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
102		65		-		-		214		-		-	
848		440		-		1,575		(55)		1,707		117	
(1,166)		732		609		29,718		3,343		32,498		2,590	
\$	(318)	\$	1,172	\$	609	\$	31,293	\$	3,288	\$	34,205	\$	2,707

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Kochville-				
	Klauss	Frank	Kolb	Kossick	Kowalski
Revenues					
Special assessment revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-	-
Permits	-	-	-	-	-
Rent	-	-	-	-	-
Interest earned on deposits	-	130	-	-	-
Interest earned on investments	-	2,823	-	-	-
Note proceeds	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-	-
Transfers in	-	-	-	-	-
Total revenue	-	2,953	-	-	-
Expenditures					
Contractual services	-	-	-	-	-
Equipment rental	-	-	612	-	-
Insurance and bonds	-	-	-	-	-
Legal fees	-	-	-	-	-
Professional services	-	-	-	-	-
Legal notices	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Reimbursements	-	-	286	-	-
Public utilities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Transfers out	-	-	-	-	-
Total expenditures	-	-	898	-	-
Total revenue over (under) expenditures	-	2,953	(898)	-	-
Net worth, beginning of year	976	55,943	(93)	100	535
Net worth, end of year	<u>\$ 976</u>	<u>\$ 58,896</u>	<u>\$ (991)</u>	<u>\$ 100</u>	<u>\$ 535</u>

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006**

	Lincoln	Link	Livingston	Lobodzinski	MacArthur (Sag Bay/Merritt)
Revenues					
Special assessment revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-	-
Permits	-	-	-	-	-
Rent	-	-	-	-	-
Interest earned on deposits	-	5	44	-	2
Interest earned on investments	-	117	968	-	-
Note proceeds	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-	-
Transfers in	-	-	-	-	-
Total revenue	-	122	1,012	-	2
Expenditures					
Contractual services	-	-	-	-	4,832
Equipment rental	-	-	-	-	240
Insurance and bonds	-	-	-	-	-
Legal fees	-	-	-	-	-
Professional services	-	-	-	-	-
Legal notices	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Reimbursements	-	-	-	-	470
Public utilities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Transfers out	-	-	-	-	-
Total expenditures	-	-	-	-	5,542
Total revenue over (under) expenditures	-	122	1,012	-	(5,540)
Net worth, beginning of year	329	2,367	18,868	202	100
Net worth, end of year	\$ 329	\$ 2,489	\$ 19,880	\$ 202	\$ (5,440)

McDonald	McArthur (Williams)	Mason	Mayville	Meddaugh	Merritt	Meyer
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
42	8	16	59	13	-	-
910	187	353	1,310	294	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8	-	-	1,732	-	-	-
960	195	369	3,101	307	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
960	195	369	3,101	307	-	-
18,360	4,465	6,914	25,237	5,759	278	98
\$ 19,320	\$ 4,660	\$ 7,283	\$ 28,338	\$ 6,066	\$ 278	\$ 98

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Michalski	Mill Pond	Mill Pond #4	Monsion
Revenues				
Special assessment revenue	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-
Permits	-	-	-	-
Rent	-	-	-	-
Interest earned on deposits	6	13	-	-
Interest earned on investments	176	323	-	-
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-
Transfers in	-	-	-	-
Total revenue	182	336	-	-
Expenditures				
Contractual services	-	-	-	-
Equipment rental	-	-	-	-
Insurance and bonds	-	-	-	-
Legal fees	17	-	-	-
Professional services	-	-	-	-
Legal notices	51	-	-	-
Repairs and maintenance	2,249	-	-	-
Reimbursements	-	-	-	-
Public utilities	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Transfers out	-	-	-	-
Total expenditures	2,317	-	-	-
Total revenue over (under) expenditures	(2,135)	336	-	-
Net worth, beginning of year	4,778	1,636	188	678
Net worth, end of year	\$ 2,643	\$ 1,972	\$ 188	\$ 678

Moore	Muldoon Ditch	Munger Road	Nearing & Dean	North Br Dr	Oakwood	Old Townline
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,079	\$ -
-	-	-	-	-	754	-
100	-	-	-	-	-	600
-	-	-	-	-	-	-
-	-	70	5	37	20	31
-	-	1,518	94	792	335	650
-	-	-	-	-	-	-
-	-	-	-	-	167	-
-	-	14	-	-	-	-
100	-	1,602	99	829	5,355	1,281
-	-	-	-	-	-	-
-	-	27	-	-	798	13
-	-	-	-	-	590	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	51	-	-	1,653	25
-	-	-	-	-	237	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	78	-	-	3,278	38
100	-	1,524	99	829	2,077	1,243
506	200	30,303	1,897	15,741	6,070	13,014
\$ 606	\$ 200	\$ 31,827	\$ 1,996	\$ 16,570	\$ 8,147	\$ 14,257

(Continued)

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006**

	Ott	O'Keefe	Panzer	Penkala
Revenues				
Special assessment revenue	\$ 178	\$ -	\$ -	\$ -
Contributions from other governmental units	90	-	-	-
Permits	-	-	-	-
Rent	-	-	-	-
Interest earned on deposits	-	2	3	-
Interest earned on investments	-	5	77	-
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	263	-	-	-
Transfers in	-	-	-	-
Total revenue	531	7	80	-
Expenditures				
Contractual services	-	-	-	-
Equipment rental	-	-	-	-
Insurance and bonds	-	-	-	-
Legal fees	-	-	-	-
Professional services	-	-	-	-
Legal notices	-	-	-	-
Repairs and maintenance	329	-	-	-
Reimbursements	-	-	-	-
Public utilities	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Transfers out	-	-	-	-
Total expenditures	329	-	-	-
Total revenue over (under) expenditures	202	7	80	-
Net worth, beginning of year	-	1,054	1,513	216
Net worth, end of year	\$ 202	\$ 1,061	\$ 1,593	\$ 216

Perry Creek	Phillips	Pine	Plant Road	Popp	Prast	Railroad Dr
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20	12	-	83	116	47	42
413	263	-	1,802	2,592	1,020	926
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,773	4,828	-	-
433	275	-	4,658	7,536	1,067	968
-	-	-	-	-	-	-
-	-	-	-	304	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	107	-	-
-	-	-	-	249	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	660	-	-
433	275	-	4,658	6,876	1,067	968
8,758	5,134	962	35,244	49,443	20,468	18,486
\$ 9,191	\$ 5,409	\$ 962	\$ 39,902	\$ 56,319	\$ 21,535	\$ 19,454

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Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Raska	Rathke	Rattell	Redy
Revenues				
Special assessment revenue	\$ 825	\$ -	\$ -	\$ -
Contributions from other governmental units	165	-	-	-
Permits	-	-	-	-
Rent	-	-	-	-
Interest earned on deposits	-	-	10	-
Interest earned on investments	-	-	214	-
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	110	-	-	-
Transfers in	-	-	-	-
Total revenue	1,100	-	224	-
Expenditures				
Contractual services	-	-	-	-
Equipment rental	-	-	-	-
Insurance and bonds	-	-	-	-
Legal fees	-	-	-	-
Professional services	-	-	-	-
Legal notices	-	-	-	-
Repairs and maintenance	-	-	-	-
Reimbursements	-	-	-	-
Public utilities	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Transfers out	-	-	-	-
Total expenditures	-	-	-	-
Total revenue over (under) expenditures	1,100	-	224	-
Net worth, beginning of year	(991)	579	4,162	127
Net worth, end of year	\$ 109	\$ 579	\$ 4,386	\$ 127

Reichard	Reinhart	Renner	Ripley	Robbins	Rosebush	Rouche
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3	-	-	11	19	85	-
53	-	-	232	439	1,865	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	17	-
56	-	-	243	458	1,967	-
-	-	-	-	-	-	-
25	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
50	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
75	-	-	-	-	-	-
(19)	-	-	243	458	1,967	-
1,078	705	(11)	4,522	8,568	36,991	633
\$ 1,059	\$ 705	\$ (11)	\$ 4,765	\$ 9,026	\$ 38,958	\$ 633

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**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006**

	Schumacker-					
	Russell Rd	Schoof	Schroeder	Ellison	Secord	Seebeck
Revenues						
Special assessment revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-	-	-
Permits	-	-	-	-	100	-
Rent	-	-	-	-	-	-
Interest earned on deposits	6	16	-	8	11	-
Interest earned on investments	140	322	-	163	242	-
Note proceeds	-	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total revenue	146	338	-	171	353	-
Expenditures						
Contractual services	1,713	-	-	-	4,550	4,950
Equipment rental	-	-	-	-	38	335
Insurance and bonds	-	-	-	-	-	-
Legal fees	-	-	-	-	-	-
Professional services	-	-	-	-	-	-
Legal notices	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-
Reimbursements	-	-	-	-	75	632
Public utilities	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total expenditures	1,713	-	-	-	4,663	5,917
Total revenue over (under) expenditures	(1,567)	338	-	171	(4,310)	(5,917)
Net worth, beginning of year	3,478	6,768	(263)	3,620	4,745	(4)
Net worth, end of year	\$ 1,911	\$ 7,106	\$ (263)	\$ 3,791	\$ 435	\$ (5,921)

Selle	Selleck & Brs.	Shinbines	Shue	Stieve	Stone	Tap-Grove	Tebo-Erickson
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4	8	-	-	4	5	-
-	76	178	-	-	7	81	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	80	186	-	-	11	86	-
-	-	-	-	-	-	-	-
-	-	113	-	197	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	74	-	74	-	-	-
-	-	237	-	-	-	-	-
-	-	224	-	146	-	-	-
-	-	-	-	-	-	-	-
-	-	178	-	178	21	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	826	-	595	21	-	-
-	80	(640)	-	(595)	(10)	86	-
638	1,955	3,723	251	-	9	1,847	750
\$ 638	\$ 2,035	\$ 3,083	\$ 251	\$ (595)	\$ (1)	\$ 1,933	\$ 750

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Tennant		Tobico		Trieber		Trombley Main	
Revenues								
Special assessment revenue	\$	2,442	\$	2,050	\$	-	\$	-
Contributions from other governmental units		443		372		-		-
Permits		-		-		-		-
Rent		-		-		-		-
Interest earned on deposits		1		1		29		170
Interest earned on investments		2		-		601		3,758
Note proceeds		-		-		-		-
Reimbursements, refunds, and other revenues		115		79		-		-
Transfers in		-		-		-		-
Total revenue		3,003		2,502		630		3,928
Expenditures								
Contractual services		-		-		-		-
Equipment rental		-		-		-		-
Insurance and bonds		-		-		-		-
Legal fees		-		-		-		-
Professional services		-		-		-		-
Legal notices		-		-		-		-
Repairs and maintenance		-		-		-		-
Reimbursements		-		-		-		24
Public utilities		-		-		-		-
Miscellaneous		-		-		-		-
Capital outlay		-		-		-		-
Transfers out		-		-		-		-
Total expenditures		-		-		-		24
Total revenue over (under) expenditures		3,003		2,502		630		3,904
Net worth, beginning of year		(2,588)		(3,827)		11,932		73,076
Net worth, end of year	\$	415	\$	(1,325)	\$	12,562	\$	76,980

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Warmbier	Webster Merritt	Webster Williams	Wecker
Revenues				
Special assessment revenue	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-
Permits	-	100	-	-
Rent	-	-	-	-
Interest earned on deposits	5	-	-	20
Interest earned on investments	108	-	-	443
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-
Transfers in	-	-	-	-
Total revenue	113	100	-	463
Expenditures				
Contractual services	-	-	-	-
Equipment rental	-	-	-	-
Insurance and bonds	-	-	-	-
Legal fees	-	-	-	-
Professional services	-	-	-	-
Legal notices	-	-	-	-
Repairs and maintenance	-	-	-	-
Reimbursements	-	-	-	-
Public utilities	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Transfers out	-	-	-	-
Total expenditures	-	-	-	-
Total revenue over (under) expenditures	113	100	-	463
Net worth, beginning of year	2,121	509	50	8,781
Net worth, end of year	\$ 2,234	\$ 609	\$ 50	\$ 9,244

Wegener	Weiss Meade	Wenglikowski	West Branch	West Branch #1	West Branch #2	Wetter
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	(300)	-	-	-	-	-
-	-	-	-	-	-	-
14	157	-	68	15	8	7
296	3,517	-	1,462	326	183	128
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7,408	-	-	-	-	-
310	10,782	-	1,530	341	191	135
-	-	-	-	-	-	-
-	13	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	84	-	-	-	-	-
-	50	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	147	-	-	-	-	-
310	10,635	-	1,530	341	191	135
5,789	67,067	370	29,148	6,363	3,613	2,937
\$ 6,099	\$ 77,702	\$ 370	\$ 30,678	\$ 6,704	\$ 3,804	\$ 3,072

(Continued)

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006**

	White	WhiteFeather Wilson	WhiteFeather Br. 1	WhiteFeather Br. 2	WhiteFeather
Revenues					
Special assessment revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-	-
Permits	-	-	-	-	300
Rent	-	-	-	-	-
Interest earned on deposits	3	-	-	-	-
Interest earned on investments	70	-	-	-	-
Note proceeds	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-	-
Transfers in	-	-	-	-	-
Total revenue	73	-	-	-	300
Expenditures					
Contractual services	-	-	-	-	4,825
Equipment rental	-	-	-	-	-
Insurance and bonds	-	-	-	-	-
Legal fees	-	-	-	-	-
Professional services	-	-	-	-	-
Legal notices	-	-	-	-	-
Repairs and maintenance	-	-	-	-	2,360
Reimbursements	-	-	-	-	-
Public utilities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Transfers out	-	-	-	-	-
Total expenditures	-	-	-	-	7,185
Total revenue over (under) expenditures	73	-	-	-	(6,885)
Net worth, beginning of year	1,384	20	304	632	500
Net worth, end of year	\$ 1,457	\$ 20	\$ 304	\$ 632	\$ (6,385)

Wilcox	Williard	Wilson	WhiteFeather Br. 3	Withbrodt	Youngs Ditch	Ziegler
\$ -	\$ -	\$ -	\$ 5,888	\$ -	\$ -	\$ 5,420
-	-	-	750	-	-	1,043
-	-	-	-	-	300	-
-	-	-	-	-	-	-
-	-	-	1	9	33	10
-	-	-	2	201	713	87
-	-	-	-	-	-	-
-	-	-	750	-	-	537
-	-	-	-	-	-	-
-	-	-	7,391	210	1,046	7,097
-	-	-	-	-	-	-
-	-	-	-	-	-	1,464
-	-	-	-	-	-	591
-	-	-	-	-	-	-
4,147	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,494
-	-	-	-	-	-	1,521
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,147	-	-	-	-	-	6,070
(4,147)	-	-	7,391	210	1,046	1,027
(60,376)	24	100	(7,756)	3,926	14,153	1,525
\$ (64,523)	\$ 24	\$ 100	\$ (365)	\$ 4,136	\$ 15,199	\$ 2,552

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006**

	Zimmerman	Baxman	Bis	Dingman #3	Erickson Branch 1&2
Revenues					
Special assessment revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-	-
Permits	-	-	-	-	-
Rent	-	-	-	-	-
Interest earned on deposits	-	5	1	8	66
Interest earned on investments	-	543	-	161	1,422
Note proceeds	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-	-
Transfers in	-	33,153	-	-	-
Total revenue	-	33,701	1	169	1,488
Expenditures					
Contractual services	-	-	-	-	-
Equipment rental	-	1,719	-	-	-
Insurance and bonds	-	-	-	-	-
Legal fees	-	-	-	-	-
Professional services	-	-	-	-	-
Legal notices	-	-	-	-	-
Repairs and maintenance	-	19	-	-	-
Reimbursements	-	1,424	-	-	-
Public utilities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Transfers out	-	-	-	-	-
Total expenditures	-	3,162	-	-	-
Total revenue over (under) expenditures	-	30,539	1	169	1,488
Net worth, beginning of year	100	252	913	3,145	27,917
Net worth, end of year	<u>\$ 100</u>	<u>\$ 30,791</u>	<u>\$ 914</u>	<u>\$ 3,314</u>	<u>\$ 29,405</u>

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Pinconning So Branch	Selleck Br. #2	Tebo Upper	Trombely Br. #1	Tebo Main
Revenues					
Special assessment revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-	-
Permits	-	-	-	-	-
Rent	-	-	-	-	-
Interest earned on deposits	13	6	98	-	-
Interest earned on investments	265	145	2,145	-	-
Note proceeds	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-	-
Transfers in	-	-	-	-	-
Total revenue	278	151	2,243	-	-
Expenditures					
Contractual services	-	-	-	-	-
Equipment rental	-	-	-	-	-
Insurance and bonds	-	-	-	-	-
Legal fees	-	-	-	-	-
Professional services	-	-	-	-	-
Legal notices	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Reimbursements	-	-	-	-	-
Public utilities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Transfers out	-	-	-	-	-
Total expenditures	-	-	-	-	-
Total revenue over (under) expenditures	278	151	2,243	-	-
Net worth, beginning of year	5,375	2,851	42,186	497	300
Net worth, end of year	\$ 5,653	\$ 3,002	\$ 44,429	\$ 497	\$ 300

Weiss Br of Weiss Rd		Fraser- Garfield #3		Kerr,Jammer, Szymanski		Stephan & Bros		Quanicassee River I.C.		Pinconning River	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	20		-		7		10		6		-
	390		-		121		119		127		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	410		-		128		129		133		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	410		-		128		129		133		-
	7,763		405		3,152		4,234		2,477		412
\$	8,173	\$	405	\$	3,280	\$	4,363	\$	2,610	\$	412

(Continued)

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006**

	Kawkawlin River	Saginaw- Midland	Saganing River	Bis Extension
Revenues				
Special assessment revenue	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-
Permits	-	-	-	-
Rent	-	-	-	-
Interest earned on deposits	4	-	-	-
Interest earned on investments	74	-	-	-
Note proceeds	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-
Transfers in	-	-	-	-
Total revenue	78	-	-	-
Expenditures				
Contractual services	-	-	-	-
Equipment rental	-	-	-	-
Insurance and bonds	-	-	-	-
Legal fees	-	-	-	60
Professional services	-	-	-	3,042
Legal notices	-	-	-	-
Repairs and maintenance	-	-	-	-
Reimbursements	-	-	-	-
Public utilities	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay	-	-	-	-
Transfers out	-	-	-	-
Total expenditures	-	-	-	3,102
Total revenue over (under) expenditures	78	-	-	(3,102)
Net worth, beginning of year	1,630	2	100	(14,975)
Net worth, end of year	\$ 1,708	\$ 2	\$ 100	\$ (18,077)

Squaconning Creek	Betzold #1,9,10	Saginaw Bay Site Review	Drain Equipment	Drain Maintenance	Drain Admin Account	Myra Lee Midland Fraser FEMA
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	7,838	-	-	-
-	72	-	57	125	21	-
-	1,551	-	1,182	2,530	7,106	-
-	-	-	-	-	-	-
-	-	-	-	-	11,400	-
-	-	-	-	-	21,568	-
-	1,623	-	9,077	2,655	40,095	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	74	-
-	-	-	-	-	-	-
-	-	-	-	-	5,000	-
-	-	-	-	-	-	-
-	-	-	1,128	-	521	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	107	-	9,311	-
-	-	-	1,358	-	712	-
-	-	-	-	-	-	-
-	-	-	2,593	-	15,618	-
-	1,623	-	6,484	2,655	24,477	-
150	30,957	-	28,785	20,603	137,976	1,204
\$ 150	\$ 32,580	\$ -	\$ 35,269	\$ 23,258	\$ 162,453	\$ 1,204

(Continued)

**Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006**

	Garfield Sub		Construction Accounts		
	Mitigation FEMA	Myra Lee/ Kindell	Baxman	German Road	Popp Drain
Revenues					
Special assessment revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-	-	-
Permits	-	-	-	-	-
Rent	-	-	-	-	-
Interest earned on deposits	-	-	75	-	-
Interest earned on investments	-	15	291	-	23
Note proceeds	-	-	-	-	-
Reimbursements, refunds, and other revenues	-	-	-	-	-
Transfers in	-	-	-	-	-
Total revenue	-	15	366	-	23
Expenditures					
Contractual services	3,300	-	2,000	-	-
Equipment rental	-	-	-	-	-
Insurance and bonds	-	-	-	-	-
Legal fees	-	-	-	-	-
Professional services	11,054	-	221	-	-
Legal notices	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Reimbursements	-	-	-	-	-
Public utilities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Capital outlay	-	-	-	-	-
Transfers out	-	15	33,153	-	23
Total expenditures	14,354	15	35,374	-	23
Total revenue over (under) expenditures	(14,354)	-	(35,008)	-	-
Net worth, beginning of year	(66,995)	-	41,056	-	-
Net worth, end of year	\$ (81,349)	\$ -	\$ 6,048	\$ -	\$ -

Construction Accounts											
Hildebrandt Anderson	Plant Road Drain	Mayville Drain	Histed Drain	Treiber Drain	Goss Drain	Weiss Meed Drain					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
1,298	16	11	1	-	7	26					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
1,298	16	11	1	-	7	26					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
-	-	-	-	-	-	-					
46,482	16	11	1	-	7	26					
46,482	16	11	1	-	7	26					
(45,184)	-	-	-	-	-	-					
46,546	-	-	-	-	-	-					
\$ 1,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					

(Continued)

Bay County Drain Commission
Drain (801) Capital Projects Fund -
Individual Drainage Districts
Schedule of Changes in Net Worth
For the Year Ended December 31, 2006

	Construction Accounts		
	Arnold Drain	Batko Drain	McDonald Drain
Revenues			
Special assessment revenue	\$ -	\$ -	\$ -
Contributions from other governmental units	-	-	-
Permits	-	-	-
Rent	-	-	-
Interest earned on deposits	-	-	-
Interest earned on investments	4	6	8
Note proceeds	-	-	-
Reimbursements, refunds, and other revenues	-	-	-
Transfers in	-	-	-
Total revenue	4	6	8
Expenditures			
Contractual services	-	-	-
Equipment rental	-	-	-
Insurance and bonds	-	-	-
Legal fees	-	-	-
Professional services	-	-	-
Legal notices	-	-	-
Repairs and maintenance	-	-	-
Reimbursements	-	-	-
Public utilities	-	-	-
Miscellaneous	-	-	-
Capital outlay	-	-	-
Transfers out	4	6	8
Total expenditures	4	6	8
Total revenue over (under) expenditures	-	-	-
Net worth, beginning of year	-	-	-
Net worth, end of year	\$ -	\$ -	\$ -

Construction Accounts					
Munger Road	Rosebush Drain	Vennard Drain	Schroeder Drain	Total	
\$ -	\$ -	\$ -	\$ -	\$	29,558
-	-	-	-		5,174
-	-	-	-		3,000
-	-	-	-		10,448
-	-	2	7		4,081
14	17	-	-		95,489
-	-	9,500	17,182		26,682
-	-	-	-		94,114
-	-	-	-		126,610
14	17	9,502	17,189		395,156
-	-	8,424	14,540		92,705
-	-	494	55		17,557
-	-	-	-		2,593
-	-	-	60		1,745
-	-	-	-		83,840
-	-	148	239		1,378
-	-	357	473		16,834
-	-	423	97		23,353
-	-	-	-		4,765
-	-	94	72		10,051
-	-	-	-		247,942
14	17	-	-		79,783
14	17	9,940	15,536		582,546
-	-	(438)	1,653		(187,390)
-	-	-	-		1,726,196
\$ -	\$ -	\$ (438)	\$ 1,653	\$	1,538,806